



INTRODUCTION

This Employee Handbook is provided to summarize many of our key personnel policies. It is not an employment contract. We reserve the right to modify, rescind, delete or add to the provisions of this handbook at anytime without notice to employees. If you have questions about any of our policies, please feel free to contact LSS.

The Client Company you are assigned to and LSS are "at will" employers. This means either you, the Client Company you are assigned to, or LSS may terminate your employment at any time, with or without cause. Only the President at LSS has the authority to make representations inconsistent with the employment "at will" provision. If the President makes an exception to the "at will" policy, it is only valid if it is a written exception.

EMPLOYMENT

Equal Employment Opportunity

LSS provides equal employment opportunities to all qualified people. Decisions relating to employment, advancement, training, transfer, discipline, termination, or any other personnel activity are not based on race, color, religion, sex, sexual orientation, pregnancy, national origin, ancestry, age, marital status, physical or mental disability, or medical condition.

Proof of Citizenship

The Immigration Reform and Control Act of 1986, requires that employers hire only American citizens and aliens who are authorized to work in the United States. When you are hired you will need to provide certain documents to establish your identity and eligibility to work. You will also need to complete a DHS Form (1-9) during your sign up process. The 1-9 form must be completed within the first 72 hours of employment. If you are unable to provide the required documentation, we cannot allow you to continue working.

Harassment

It is the policy of LSS to provide a work environment free from harassment of any kind. This can include, but is not limited to verbal, physical, visual and sexual harassment. We are all expected to adhere to a standard of conduct that is respectful of all persons within the work environment. Harassment can take many forms including, but not limited to: words, signs, pranks, intimidation, physical contact or violence. It does not have to be sexual in nature. Any form of harassment or reprisal will not be tolerated.

All employees have a responsibility to keep the workplace free from harassment. Any employee who believes that the actions or words of a manager, co-worker, client or vendor constitute unwelcome harassment has a responsibility --and is strongly encouraged --to report it as soon as possible to LSS. All complaints of harassment will be investigated promptly and in as impartial and confidential a manner as possible.

Sexual Harassment

While all forms of harassment are prohibited, it is important that we emphasize that sexual harassment is specifically prohibited. Each employee has the responsibility to maintain the workplace free of any form of sexual harassment.

Sexually harassing conduct in the workplace, whether committed by managers, coworkers, clients or vendors includes, but is not limited to:

1. Sexual flirtations, touching, advances, or propositions.
2. Verbal abuse of a sexual nature.
3. Graphic or suggestive comments about an individual.
4. Using sexually degrading words to describe an individual.
5. The display in the office of sexually suggestive objects or pictures

Any employee who believes that the actions or words of a manager, co-worker, client, or vendor constitute unwelcome harassment, either sexual or otherwise, has are responsibility and is strongly encouraged to report it as soon as possible to LSS. All complaints of harassment will be investigated promptly and in as impartial and confidential a manner as possible.

Employment Status

Non-Exempt - Non-exempt employees include all employees who are covered by the overtime provisions of the Federal Fair Labor Standards Act or the Caledonia Industrial Wage Orders.

Exempt - Exempt employees include all employees who are classified as exempt from the overtime provisions of the Federal Fair Labor Standards Act or the California Industrial Wage Order.

If you have a question regarding the status of your position, please contact LSS.

At-Will Termination of Employment

You may terminate your employment at any time for any reason. We would appreciate at least two weeks notice. LSS likewise reserves the right to terminate your employment at any time, with or without cause. Only the President of LSS has the authority to make representations inconsistent with this employment "at will" policy. If the President makes an exception to the "at will" policy, it is only valid if it is a written exception.

End-of-Assignment

It is your responsibility to notify us immediately upon completion of your assignment. You can email the notice to LSS or mark the box on your final timesheet. Failure to do so may result in the denial of unemployment benefits.

Access to Personnel Files

You may review all information that is placed in your personnel file. You may not remove documents placed your file but LSS will make copies available to you upon request.

Change of Address, Telephone, Status, Name

It is very important that you notify LSS when you move, change telephone numbers, or if you wish to complete a new W-4 to change deductions. If you move after leaving LSS but before tax time, you should notify LSS so that they can mail your W-2 to the correct residence.

COMPENSATION

Pay Periods

Employees will be paid on a semi-monthly basis unless the Client Company you are assigned to requests other payment arrangements. Payday will be no later than the 5th business day after cut-off. If you wish to pick up your paycheck at the LSS office, you must notify LSS by the 15th or last day of the month. Otherwise, checks/stubs will be mailed. Once a pay cycle has been processed, employees can view their pay data online.

Direct Deposit Payroll Checks

If you so desire, you will be able to have your check deposited directly into your bank or credit union checking or savings account. Due to the unpredictability of the paper mail system, LSS strongly recommends that all LSS employees sign up with direct deposit.

Once signed up, you will receive a deposit stub which details all withholdings and is similar to the check stub you would otherwise receive. Unless otherwise indicated, your direct deposit net pay will be in your account no later than the 5th business day after the pay cycle cut-off each payday. Direct Deposit enrollment forms are located on our website www.lookoutsources.com under Forms. If you do not have access to our website, please contact LSS and a form will be mailed to you.

Overtime

You may occasionally be asked to work beyond your normally scheduled hours. Employees who qualify as exempt administrative, executive or professional within the meaning of the state and federal wage and hour laws are exempt from overtime pay and are not subject to this policy.

If you are non-exempt, you will be paid overtime as defined by state and federal law. Overtime must be approved in advance by a manager.

For purposes of calculating overtime, our standard workweek begins at 12:01 a.m. Sunday and ends at 12:00 midnight the following Saturday.

Expense Accounts

You must obtain authorization from your on-site supervisor at the Client Company you are assigned to before you may incur business expenses for which you will be requesting reimbursement. The Client Company you are assigned to must approve the authorized expenses in order for LSS to reimburse you. If you are authorized to be reimbursed for business travel and/or business entertainment expenses, you should complete and submit an expense report as soon after the costs are incurred. LSS reserves the right to decline payment for expenses which are not approved by the Client Company. Falsification of expense accounts --regardless of the amount -is grounds for immediate termination.

GENERAL OFFICE POLICIES

Dress Guidelines

During business hours, reasonable and professional attire is required of all employees. The Client Company you are assigned to may have specific guidelines for you to follow.

Office Hours

LSS's office hours are from 9:00 a.m. to 6:00 p.m. PST Monday through Friday. The LSS office is closed on the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Day

Breaks

When applicable, breaks should be taken in accordance with state regulations. For information regarding your state's regulations, contact LSS.

In California, non-exempt employees receive a 10 minute break for every four hours worked or fraction thereof. Breaks should be taken during the middle of that period.

If you are a non-exempt employee in California, you are entitled to take at least one-half hour for lunch. Lunch periods are not compensated.

Attendance

Employees are expected to arrive at work before they are scheduled to start and be at their work station productively engaged at their scheduled start time.

1. Scheduled absence

All time off must be requested in advance and submitted in writing to your on-site supervisor.

2. Unscheduled Absence

The employee must notify his/her on-site supervisor as soon as possible regarding their unscheduled absence and at the latest, by the time the employee was to report to work. It is not permissible to be gainfully employed elsewhere while out on leave. Any employee doing so will be considered to have voluntarily resigned without notice and to not be in good standing at the time of resignation.

Absences of any kind which exceed acceptable limits, as deemed by LSS and the Client Company may result in disciplinary action, up to and including termination.

Leave of Absence

1. Family Leave of Absence

In compliance with the Federal and State Family Leave Acts, LSS offers family leaves as follows:

1. To care for a newly born child (within 12 months of birth);
2. To care for a newly adopted child or a child placed in foster care with you (within 12 months of the placement);
3. To care for your spouse, child or parent with a serious health condition.

If you take family leave, it will be without pay, although you may use any accrued sick leave or vacation time for any part of the twelve-week period. Entitlement to sick leave and vacation time if any is determined by the Client Company you are assigned to.

You may request a family leave if you have been employed by LSS for at least twelve (12) months and you worked at least 1,250 hours during the previous twelve (12) month period. If your leave qualifies as a family leave, you may take up to twelve (12) weeks of leave during any rolling twelve (12) month period. You may request a subsequent Family Leave 12 months after your previous Family Leave ended.

An intermittent or reduced leave schedule is permitted for medical leave taken for reasons of a serious health condition when medically necessary. Examples would be doctors' visits and therapy for treatment.

2. Pregnancy Medical Leave (California employees)

Women certified disabled due to pregnancy related conditions are eligible for up to 4 months unpaid leave. Intermittent leaves or a reduced work schedule may be taken. To apply for a Pregnancy Medical Leave, please contact LSS.

3. Workers' Compensation Leave of Absence

If you are unable to work because of a Workers' Compensation injury, you may request a leave of absence. You must be certified disabled by our Workers' Compensation carrier.

4. Military Leave of Absence

Employees serving in the military are entitled to leave as stated in the Uniformed Services Employment and Reemployment Rights Act (USERRA), outlined below:

Reemployment Rights

You have the right to be reemployed in your civilian job if you leave that job to perform service in the uniformed service and:

- you ensure that your employer receives advance written or verbal notice of your service;
- you have five years or less of cumulative service in the uniformed services while with that particular employer;
- you return to work or apply for reemployment in a timely manner after conclusion of service; and
- you have not been separated from service with a disqualifying discharge or under other than honorable conditions. If you are eligible to be reemployed, you must be restored to the job and benefits you would have attained if you had not been absent due to military service or, in some cases, a comparable job.

Right to be Free from Discrimination and Retaliation If you:

- are a past or present member of the uniformed service;
- have applied for membership in the uniformed service; or
- are obligated to serve in the uniformed service; then an employer may not deny you any of the following because of this status:
 - initial employment;
 - reemployment;
 - retention in employment;
 - promotion; or
 - any benefit of employment. In addition, an employer may not retaliate against anyone assisting in the enforcement of USERRA rights, including testifying or making a statement in connection with a proceeding under USERRA, even if that person has no service connection.

Enforcement

- The U.S. Department of Labor, Veterans Employment and Training Services (VETS) is authorized to investigate and resolve complaints of USERRA violations.
- For assistance in filing a complaint, or for any other information on USERRA, contact VETS at 1-866-4-USA-DOL or visit its website at <http://www.dol.gov/vets.Aninteractive>.
- If you file a complaint with VETS and VETS is unable to resolve it, you may request that your case be referred to the Department of Justice or the Office of Special Counsel, depending on the employer, for representation.
- You may also bypass the VETS process and bring a civil action against an employer for violations of USERRA.

5. Jury Duty

You are encouraged to fulfill your jury duty obligations. All leave to serve on a jury will be unpaid. LSS will work with your Client Company so that your current job or a comparable job will be held for you while you are serving on a jury. If the jury is out early or is not required to report for that day, you are expected to report to work.

Unauthorized Leave

It is important that you notify your on-site employer when you will not be at work. Unauthorized leave is grounds for immediate termination.

ETHICS

Confidentiality

All business transactions between LSS and its clients are strictly confidential. Additionally, all business transactions between the client company you are assigned to and its clients are strictly confidential. Any information relating to clients is for your professional use only and is not to be discussed outside the office. Likewise, if you have access to information about LSS or plans, activities, salaries and other personnel information of the Client Company you are assigned to, which could be damaging to the company and/or another employee if shared outside the company, that information should be treated confidentially.

Abuse of Drugs & Alcohol

The use, sale, or possession of illegal drugs, while on work premises or at any company or client sponsored function, is grounds for termination. Likewise, being under the influence of alcohol or any illegal drug while at work is grounds for disciplinary action or termination.

If you have a problem with drugs or alcohol, you are encouraged to get professional help. Generally, LSS will make reasonable accommodations once for employees who voluntarily seek rehabilitative services.

Personal Telephone Calls

Although personal calls during business hours may be necessary from time-to-time, they are strongly discouraged unless absolutely necessary. Please keep your personal calls to a minimum. Long distance personal calls are prohibited.

Internet Use

"Company" as used in this paragraph refers to both LSS and the Client Company you are assigned to. The following procedures apply to all internet use that is (a) accessed on or from Company premises, accessed using Company computer equipment or through Company-paid access methods, and/or (c) used in a manner that identifies the individual with the Company. *The Internet service may not be used for transmitting, retrieving or storage of any communications which are obscene or X-rated, of a discriminatory or harassing nature, or which are derogatory to any individual or group, are of a defamatory or threatening nature, for "chain letters" or for any other purposes which are illegal, against Company policy or contrary to the Company's interest. These same procedures apply to the use of E-mail.* The company encourages the use of the Internet service because it makes communication more efficient and effective, and because it is a valuable source of information, e.g., about vendors, customers, new products and services. However, the Internet service provided by the Company is Company property, and its purpose is to facilitate Company business.

Theft of Personal Items

Neither LSS, nor the Client Company you are assigned to is responsible for the theft of any personal items located in your work area. Any personal items are the employee's responsibility to secure. (See "Security")

BUILDING INFORMATION

Building Safety Requirement

Please be aware of the fire escape, stairs, fire extinguishers, etc. in your building. Please contact LSS immediately if you feel that there is an unsafe work situation.

Smoking

Smoking is prohibited in public buildings. The Client Company may have designated smoking areas.

Safety

Workplace Accidents/Injuries:

1. For any life or limb threatening injury, or injury that poses an immediate threat to your health, call 911 immediately and have an ambulance transport you to the nearest healthcare facility.
2. Be sure first aid is administered.
3. Report all injuries as soon as possible to your on-site supervisor at the Client Company you are assigned to and LSS.

Security

Please be aware that in order to provide security, there are some general rules to follow.

- Don't leave your purse in plain sight beside your desk or your wallet in your coat unattended. Please put them in a drawer, preferably locked. (Do not put these items or the keys to the file cabinets in the top drawer of your desk.)
- Do not allow service people to take your computer, adding machine or other equipment without prior authorization and proper identification.
- Don't leave checkbooks on desks --a few blank checks taken out of the back of a book will not be missed until you get a call from your bank that they have been cashed.

BENEFITS

401(k) Retirement Plan

A 401(k) is a qualified retirement program offered to LSS employees as a means of providing a pretax and/or after tax (Roth) portion of your income for retirement. Employees may choose to contribute from 0% to 100% of their pay each pay period. Your taxable income is reduced by the amount you contribute if you contribute pretax. This allows you to reduce your current federal and state income taxes. If you contribute on an after-tax, or Roth, basis, your current taxes will not be reduced but once you draw against the Roth upon retirement, all of the funds will be tax free. Your maximum deferral percentage and/or dollar amount may also be limited by IRS regulations. A variety of investment accounts are available to you under LSS's plan. You choose which accounts your contributions are invested in. You will get statements and can review/make changes to your account online.

Worker's Compensation

As an employee of LSS, you are entitled to apply for Worker's Compensation in the event you have an accident while on Company property or on Company business.

If you have an injury on the job, you must contact LSS immediately in order to complete the proper paperwork. You may be entitled to medical and hospital treatment required to cure or relieve you from the effects of work-caused injury or illness. If approved, there are no deductibles and the total cost of all medical and hospital care is paid directly by LSS's worker's compensation insurance carrier. You must be present for all medical appointments arranged for you (failure to keep appointments may jeopardize your right to benefits).

To qualify for full coverage, it is important that you not go to your own physician immediately following your injury, unless an emergency has arisen and you are unable to report to either LSS.

Some other facts you should be aware of -you may lose your right to worker's compensation if you are injured while fighting, intoxicated or injured because of your own serious and willful misconduct. You cannot receive unemployment insurance benefits at the same time you are receiving worker's compensation benefits, except under certain circumstances worker's compensation benefits are tax free.